

Maurice Hinchey NEWS

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HINCHEY BLASTS BUSH TAX PLAN

KINGSTON - U.S. Representative Maurice Hinchey (D-NY) today sharply criticized President Bush's tax cut plan on the grounds that its benefits are unfairly skewed toward the rich, that it will hurt the economy, and that it will not leave enough money in the budget to fund important priorities like Medicare and education. The House of Representatives is scheduled to consider the largest portion of the tax cut this week.

"This measure is simply unfair and irresponsible," said Hinchey. "Does anyone really believe that our country's most pressing need is a tax cut for people who make over \$400,000 a year?"

In a press conference in his Kingston office today, Hinchey explained his opposition to the Bush plan.

- **The proposed tax cut is based on questionable projections.** The Congressional Budget Office believes that under plausible assumptions, the favorable revisions of budget surplus projections seen in recent years could reverse, putting the budget back into deficit. The president's tax cut proposal would compound that problem many times over.

"We have spent the last eight years reversing the damage done by the Reagan tax cut of 1981 that led to unprecedented budget deficits and the worst economic downturn since the Great Depression," said Hinchey. "Now that we have finally dug out of that hole, this new tax cut risks putting us right back into it."

- **The proposed tax cut provides little or no assistance to those with low or moderate incomes and favors the very wealthy.** The Bush Administration has disputed the claim that forty-five percent of the benefits of this cut would go to the wealthiest one percent of the country. But according to the *Washington Post*, even conservative economists agree that the richest one percent would receive between 31.3 percent and 45%, depending on whether the estate tax cut is included in the calculation. Meanwhile, one in three children live in families that would not get any tax cut because, although they pay other taxes like the payroll tax, they have no income tax liability.

"So those who have profited the most from the economic prosperity of recent years will be given additional benefits and those who were never reached by the recovery receive no assistance," Hinchey said.

- **The proposed tax cut leaves inadequate funding for important programs.**
According to Citizens for Tax Justice, "President Bush's proposed tax breaks for the best-off one percent of Americans would cost more than the total amount of money needed to pay for a comprehensive Medicare prescription drug benefit for all seniors." This is one example of how the Bush Administration prioritizes a tax cut for the rich over more pressing needs

Most government programs will experience funding cuts when viewed in terms of 2001 purchasing power. Among the federal agencies that will experience significant cuts in purchasing power are the Department of Agriculture, the Department of Housing and Urban Development, the Federal Emergency Management Agency, and the Small Business Administration. These agencies have pumped millions of dollars into the Hudson Valley in recent years.

"It's no accident that the Administration and the House Republicans are bringing the tax cut up for consideration well before the rest of the budget," added Hinchey. "The President has made it very clear that tax breaks for the wealthy are his top priority. Everything else, like health care and education, is far down the list."